

RIVER ROAD AFRICAN AMERICAN MUSEUM & GALLERY

Donaldsonville, Louisiana

FINANCIAL REPORT

(Compiled)

June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/30/11

RIVER ROAD AFRICAN AMERICAN MUSEUM & GALLERY
Donaldsonville, Louisiana

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(Compiled)

June 30, 2010

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
River Road African American Museum & Gallery
Donaldsonville, Louisiana

We have compiled the accompanying statements of assets and net assets - modified cash basis of **RIVER ROAD AFRICAN AMERICAN MUSEUM & GALLERY** (a nonprofit organization) as of June 30, 2010 and 2009, and the related statements of revenues, expenses and net assets - modified cash basis for the years then ended, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The Schedule of Functional Expenses on page 7 is not a required part of the basic financial statements but is supplementary information. We have compiled the Schedule of Functional Expenses - modified cash basis from information that is the representation of management of the organization without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Certified Public Accountants

Baton Rouge, Louisiana
December 27, 2010

RIVER ROAD AFRICAN AMERICAN MUSEUM & GALLERY

Donaldsonville, Louisiana

STATEMENTS OF ASSETS AND NET ASSETS - MODIFIED CASH BASIS

June 30, 2010 and 2009

(See Independent Accountants' Compilation Report)

ASSETS

	<u>2010</u>	<u>2009</u>
CURRENT		
Cash and cash equivalents	\$ 20,418	\$ 80,387
OTHER ASSETS		
Artifacts	15,571	15,571
Design plan	12,226	12,226
PROPERTY AND EQUIPMENT, net	<u>125,433</u>	<u>117,689</u>
Total assets	<u>\$ 173,648</u>	<u>\$ 225,873</u>

NET ASSETS

NET ASSETS - UNRESTRICTED	<u>\$ 173,648</u>	<u>\$ 225,873</u>
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The accompanying notes to financial statements
are an integral part of this statement.

RIVER ROAD AFRICAN AMERICAN MUSEUM & GALLERY

Donaldsonville, Louisiana

STATEMENTS OF REVENUES, EXPENSES AND NET ASSETS - MODIFIED CASH BASIS

For the years ended June 30, 2010 and 2009

(See Independent Accountants' Compilation Report)

	<u>2010</u>	<u>2009</u>
REVENUES AND SUPPORT		
Contributions and grants	\$ 162,976	\$ 143,223
Fundraising	19,192	15,066
In-kind donations	6,054	-
Tours	3,429	5,400
Membership and board dues	360	1,110
Interest	55	958
Other	<u>155</u>	<u>1,400</u>
 Total revenues and support	 <u>192,221</u>	 <u>167,157</u>
 EXPENSES		
Program services	144,924	115,268
Administrative	82,913	66,690
Fundraising	<u>16,609</u>	<u>9,532</u>
 Total expenses	 <u>244,446</u>	 <u>191,490</u>
 Decrease in net assets	 (52,225)	 (24,333)
 NET ASSETS		
Beginning of year	<u>225,873</u>	<u>250,206</u>
 End of year	 <u>\$ 173,648</u>	 <u>\$ 225,873</u>

The accompanying notes to financial statements
are an integral part of this statement.

RIVER ROAD AFRICAN AMERICAN MUSEUM & GALLERY

Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS

(See Independent Accountants' Compilation Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

River Road African American Museum & Gallery (Museum) is dedicated to educating, interpreting, collecting, and preserving art, artifacts and buildings related to the history and culture of African Americans in the rural communities along the Mississippi River between Baton Rouge and New Orleans.

Basis of accounting

The Museum prepares its financial statements on the modified cash basis of accounting but includes depreciation of capitalized assets. Under this basis, revenues are recognized when received rather than when earned, and expenses are recognized when cash is disbursed rather than when the obligation is incurred.

The Museum reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Museum does not have any temporarily restricted or permanently restricted net assets.

The statement of revenues, expenses and net assets – modified cash basis presents expenses of the Museum's operations functionally between program service, administrative and fundraising.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts and related disclosures of the financial statements. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation in these financial statements.

Revenue

The Museum is primarily funded by contributions and grant proceeds from governmental sources. Since the Museum derives a significant portion of its revenues from governmental sources (84%), the loss of such funding would have a material adverse affect on the organization. Supplementary funding is provided by fundraising activities.

The Museum receives contributions primarily from corporations and individuals that are located in Ascension Parish.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

The Museum considers cash in bank accounts as cash. Cash equivalents include investments with original maturities of three months or less. The Museum typically maintains cash at a local bank that may, at times, exceed the FDIC limits. Management believes the risk is limited.

Equipment and depreciation

Equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated service lives of the assets.

Advertising

The Museum incurred \$10,528 and \$4,635 in advertising costs during the years ended June 30, 2010 and 2009, respectively. The Museum expenses advertising costs as incurred.

Volunteer services

A substantial number of unpaid volunteers have made a significant contribution of service to develop the Museum's programs, principally in fundraising activities, educational projects, operations, and board participation. The value of these services is not reflected in these statements since there is no objective basis for measurement or valuation.

Income tax status

The Museum is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and files a Form 990 tax return in the U.S. federal jurisdiction. The Museum adopted provisions of FASB ASC 740-10, Accounting for Uncertainty in Income Taxes, on January 1, 2009. Management of the Museum believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

NOTE 2 - PROPERTY

A summary of property, related service lives, and accumulated depreciation at June 30, 2010 and 2009 are as follows:

Description	Estimated Service Lives	2010	2009
Land	-	\$ 25,635	\$ 25,635
Buildings	-	59,210	60,801
Construction in progress	-	31,598	25,598
Furniture and equipment	5 years	17,410	11,910
Library materials	5 years	731	731
		134,584	124,675
Less accumulated depreciation		(9,151)	(6,986)
		<u>\$ 125,433</u>	<u>\$ 117,689</u>

Depreciation expense was \$2,165 and \$867 for the years ended June 30, 2010 and 2009, respectively. The buildings owned by the Museum have not been placed in service and are currently idle property. As such, no depreciation has been recorded on this property. The building that houses the museum is being leased. See Note 3.

NOTE 3 - LEASES

The Museum leases a building for museum space under a 25 year tenant/landlord lease with the City of Donaldsonville. The lease is for \$1 per year through 2028. Additionally, the Museum also leases land from the City where a historic building owned by the Museum is maintained. This lease is for \$1 per year through 2023.

NOTE 4 - SUBSEQUENT EVENTS

In preparing the financial statements, the Museum has evaluated events and transactions for potential recognition or disclosure through December 27, 2010, the date the financial statements were available to be issued.

RIVER ROAD AFRICAN AMERICAN MUSEUM & GALLERY
Donaldsonville, Louisiana

SCHEDULE OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

For the year ended June 30, 2010
(With comparative amounts for 2009)

(See Independent Accountants' Compilation Report)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Totals</u>	
				<u>2010</u>	<u>2009</u>
Salaries	\$ 76,336	\$ 12,723	\$ 12,723	\$ 101,781	\$ 56,490
Payroll taxes	7,855	1,309	1,309	10,473	18,847
Program and exhibits expense	51,154	-	-	51,154	13,781
Professional fees	-	11,223	-	11,223	11,712
Advertising	-	10,528	-	10,528	4,635
Loss on hurricane damage	-	10,500	-	10,500	-
Supplies	3,969	3,969	-	7,938	8,115
Repairs	-	6,969	-	6,969	10,924
Utilities	-	6,483	-	6,483	5,939
Telephone	-	6,311	-	6,311	6,471
Printing and publications	2,353	2,353	-	4,706	2,223
Travel and education	-	4,327	-	4,327	7,930
Fundraiser	-	-	2,457	2,457	-
Depreciation	-	2,165	-	2,165	867
Insurance	-	1,791	-	1,791	1,843
Events expense	1,365	-	-	1,365	39,092
Bank service charges	-	926	-	926	1,467
Dues and subscriptions	677	-	-	677	522
Postage and shipping	-	121	121	241	230
Other	<u>1,216</u>	<u>1,216</u>	<u>-</u>	<u>2,431</u>	<u>401</u>
Total expenses	<u>\$ 144,924</u>	<u>\$ 82,913</u>	<u>\$ 16,609</u>	<u>\$ 244,446</u>	<u>\$ 191,490</u>

Schedule 2

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

12/27/2010 (Date Transmitted)

Faulk & Winkler, LLC
6811 Jefferson Hwy.
Baton Rouge, La 70805

In connection with your review of our financial statements as of June 30, 2010 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 21, 2010

Federal, State, and Local Awards

We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

n/a

Yes ☐ No ☐

Schedule 2**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes ☒ No ☐**Prior Year Comments**

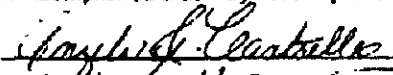
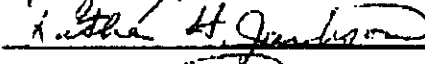
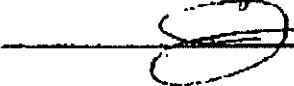
We have resolved all prior-year recommendations and/or comments.

n/a

Yes ☐ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

	Treasurer	12/31/10	Date
	Exec. Director	12/31/10	Date
	President	12/31/10	Date